

VII. Conclusions of Fiscal Analysis

The baseline financial information, budget and revenue assumptions, and forecasts support the formation of the proposed Fontana Fire Protection District. A clear case for the present and long-term economic stability of the District has been made. During each of the next four fiscal years, the proposed new District is projected to operate with a surplus. The financial feasibility of this proposal is solid.

A number of factors support this conclusion:

- Since voters passed Proposition 13 in 1978 freezing the base year value of property, they did allow for reappraisal of property upon change in ownership and "new construction." With the large amount of new construction and property transfers, increases in property valuation in the City of Fontana and the RDA has exceeded twelve percent for most recent tax years 2003 and 2004; however, property tax revenue increases for our purposes were projected using a more conservative four percent annual growth;²⁴
- revenues currently expended, by the City, for fire services (Stations 74 and 78) and enhanced paramedic services would be received by the proposed District; and
- the City of Fontana and its SOI have, and continue to exhibit solid growth.

The fiscal year 2006/07 total property tax revenue and forecast budget shows base District property tax revenue of \$11,012,353 against expenditures of \$12,102,476. With payments for enhanced services by the City/RDA, revenue exceeds the projected annual total funding requirements by \$3,610,400 (Figure 12).²⁵ While there is a significant increase in revenue and expenditures noted for the following fiscal year (fiscal year 2007/08), this is not surprising given that the opening of fire station 79 is anticipated for July 2007. The budget forecast for fiscal year 2007/08 includes: the cost of operating the additional fire station; an additional nine personnel, and rollups in all other expenditure costs. Revenue offsets the increases with an additional payment from the City/RDA.

²⁴ HdL Coren & Cone, Property Tax Consultants

²⁵ Budget document supplied by San Bernardino County Fire Department, Central Valley Fire District included funding of Fire Station 79 for six-months.

Figure 12: Estimated Revenue, Budget, and Variance

Fiscal Year	Estimated Revenue	Estimated Budget	Payments to County Fire for Enhanced Services	Net Variance
FY 2004/05	\$10,181,540		\$3,865,500	
FY 2005/06	\$10,588,801		\$4,544,070	
FY 2006/07	\$11,012,353	\$12,102,476	\$4,700,523	\$3,610,400
FY 2007/08	\$11,452,848	\$14,138,532	\$6,288,544	\$3,602,860
FY 2008/09	\$11,910,962	\$14,648,855	\$6,484,086	\$3,746,192
FY 2009/10	\$12,887,400 ²⁶	\$17,344,467	\$6,687,449	\$2,230,382
FY 2010/11	\$13,382,896 ²⁷	\$17,970,535	\$6,898,947	\$2,311,308

While a fire station has been proposed for western Fontana (Fire Station 80), no final detailed information has been made available. An increase in the fiscal year 2009/10 expenditures corresponds with the operational costs for that station and are based on the model budget forecast (Figure 7: Forecasted Operation Budget FY 2006/07 - 2010/11). The model budget includes: the cost of operating the additional fire station (Fire Station 80); an additional twelve personnel, and rollups in all other expenditure costs.

Funds for construction of this station have been generated within the San Sevaine Redevelopment Project Area of the County Redevelopment Agency. These revenues have flowed to County Fire in the form of "Other Governmental Aid" (fund department-SQY 580). These funds have been transferred to the Capital Improvement Projects and Reserves Fund designated for Station 80 (fund department-CNI-580). Therefore these construction costs have not been included in Figure 12 under estimated budget. Transfer of reserve fund accounts has been addressed in Appendix: L – Draft JPA Contract for Services.

It was determined that a special tax was necessary due to the San Sevaine Redevelopment Project Area (RDA) that overlays the area, which causes the taxes generated in the area that would have gone to the Central Valley Fire Protection District to go to the RDA. The special tax only replaces the amount of property taxes that would have gone to the Fire Protection District had the RDA not been in

²⁶ Includes an increase of \$500,000 for the special tax designated to Central Valley Fire Protection District to replace property taxes in the San Sevaine Redevelopment Project Area (RDA)

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place. The total annual amount expected to be generated, at the time of formation, was approximately \$500,000 based on the area being fully developed.

"The proposal to fund fire protection services in this area of the Central Valley Fire Protection District is to levy a special tax in the amount of \$565 per developed acre (new development only). It is estimated that the special tax will generate approximately \$500,000 annually after the entire area is fully developed."²⁸

The model budget (salary and benefits, services and supplies, and capital replacement) for the proposed District beginning in fiscal year 2007/08 (Figure 13) also includes the addition of Fire Station 79. Accordingly, the proposed staffing levels beginning in fiscal year 2007/08 are shown below:

Figure 13: Proposed Staffing of Operations Field Personnel - Fiscal Year 2007/08

Operations / Field Personnel	
Position Title	Number (FTE)
Battalion Chief ²⁹	3.00
Captain	21.00
Engineer	21.00
Firefighter/Paramedic	24.00
Firefighter	12.00
TOTAL	81.00

Similarly, to meet the expected needs of the District, future / proposed Fire Station 80 has been included in the model budget in fiscal year 2009/10. Proposed operational staffing levels beginning in fiscal year 2009/10 are shown on the following page.

²⁸ Report to Board of Supervisors, Recommending Adoption of Ordinance No. SD 02-09 to form CFD No. 2002-2 (Central Valley FPD-Fire Protection Services, Emil A. Marzullo, Director, Special Districts Department, Aug 27, 2002

²⁹ Battalion Chiefs serve as supervision and as incident commanders for the entire Central Valley Fire Protection District.

Figure 14: Proposed Staffing of Operations Field Personnel - Fiscal Year 2009/10

Operations / Field Personnel	
Position Title	Number (FTE)
Battalion Chief ³⁰	3.00
Captain	24.00
Engineer	24.00
Firefighter/Paramedic	30.00
Firefighter	12.00
TOTAL	93.00

³⁰ Battalion Chiefs serve as supervision and as incident commanders for the entire Central Valley Fire Protection District.